

## **SECTION 4. SMART STATION OPERATION**

It is the selected Contractor's responsibility to operate the facility in accordance with the Agreement with the City. The minimum SMaRT Station operating requirements are listed below. References are made to the corresponding sections of the Agreement which provide specific detail for each requirement.

### **4.1 GENERAL OPERATIONS**

#### **4.1.1 Operating Hours**

The selected Contractor will operate the facility during the hours specified in Section 3.03 of the Agreement.

#### **4.1.2 Facility Personnel**

The selected Contractor will staff the facility with qualified personnel to perform the work as specified in Section 3.10 of the Agreement. Proposers must list the number of employees when completing Proposal Form 8.

#### **4.1.3 Facility Personnel -Prevailing Wages**

The selected Contractor shall pay its drivers, maintenance workers, laborers, sorters, and shop employees wages and benefits per Section 3.10 of the Agreement. The selected Contractor shall offer employment to previous contractor's SMaRT Station employees per Section 3.10.

#### **4.1.4 Facility Personnel Training and Safety**

The selected Contractor will be responsible for training personnel on how to operate and maintain the facility and its equipment, and on health and safety procedures. Each proposal must include a description of the safety training programs, health and safety manual, and other components of the Proposer's health and safety program including emergency procedures for operating the facility. Hazardous material handling procedures must also be included. See Proposal Form 10.

#### **4.1.5 Permits and Regulations**

Appendix H contains a list of all current permits necessary for operation of the SMaRT Station. If new operating permits and approvals (or amendments to the permits and approvals obtained by the City) become necessary during the term of the Agreement by virtue of the selected Contractor's operations it will be the responsibility of the selected Contractor to obtain them. The City will assist the selected Contractor in obtaining them, provided that the operations that give rise to the need for them are in compliance with the Agreement (See Section 3.06 of the Agreement). Permits are available for review at the City's offices.



#### **4.1.6 Transfer/Processing Report**

A copy of the Transfer/Processing Report for the SMaRT Station is provided in Appendix I. The Transfer/Processing Report describes and/or restricts the operation under the Solid Waste Facility Permit (SWFP) issued by the California Integrated Waste Management Board.

## **4.2 MATERIAL PROCESSING OPERATIONS**

### **4.2.1 General**

The selected Contractor is required to receive, process, and transfer the Participating Agencies' MSW and Source Separated Recyclable Materials. The selected Contractor will accept and/or process the following materials within the facility:

- MSW
- Bulky Waste (e.g. furniture, tires, mattresses, refrigerators, etc)
- Universal Wastes (e.g. used motor oil, CRTs, Universal Waste Electronic Devices, Consumer Electronic Devices, fluorescent lamps, batteries)
- Source-separated Source Separated Recyclable Materials
- Source-separated wood and Yard Trimmings
- Source Separated Recyclable Materials brought to the buyback/drop-off center

The selected Contractor will be responsible for transferring un-recovered MSW to the Kirby Canyon Landfill and marketing and transporting recovered Source Separated Recyclable Materials to acceptable recyclers, processors or end users in accordance with Section 4.01 of the Agreement. Figure 4-1 presents a diagram of material flow to and from the SMaRT Station.

The selected Contractor will be responsible for removing and arranging for the proper disposal or recycling of CFCs, compressor oils, and mercury switches from appliances recovered at the SMaRT Station at its own expense.

### **4.2.2 MSW Processing**

The selected Contractor will employ its best efforts to recover and divert the maximum quantity of Source Separated Recyclable Materials from the franchised and publicly hauled MSW accepted at the facility. The selected Contractor will not be required to process every load of MSW delivered to the SMaRT Station. However, the selected Contractor must maintain at least the minimum MSW recycling rate of 17.5% in accordance with Section 3.05B of the Agreement.

The selected Contractor is required to accept and store wood and yard trimming materials from the tipping floor including tree trimmings, untreated wood roof shingles, lumber, pallets,

similar timber products, and compostable materials. Processing of this material will be done onsite in a designated area.

#### **4.2.3 MSW Processing Equipment**

The City is currently preparing to install new MSW processing (materials recovery) equipment. Descriptions and specifications for the existing equipment's complete design are included in Appendix G. Detailed specifications for the proposed equipment will not be available until after August 1, 2006. If the City elects to modify the MSW processing equipment, it is the intention of the City to have the new equipment installed before the Agreement takes effect on January 1, 2008. In the event that installation of the new equipment takes place during the term of this Agreement (after January 1, 2008) the selected Contractor shall follow the procedures specified in Section 3.21 of the Agreement.

#### **4.2.4 Delivery of MSW and Source-separated Materials**

The following is a brief description of how each City currently collects MSW and recyclables. The Participating Agencies reserve the right to change their collection methods and/or the mixes of source separated materials delivered to the facility for processing.

##### *Sunnyvale:*

Residential solid waste is collected using side loaders, front loaders and rear loaders.

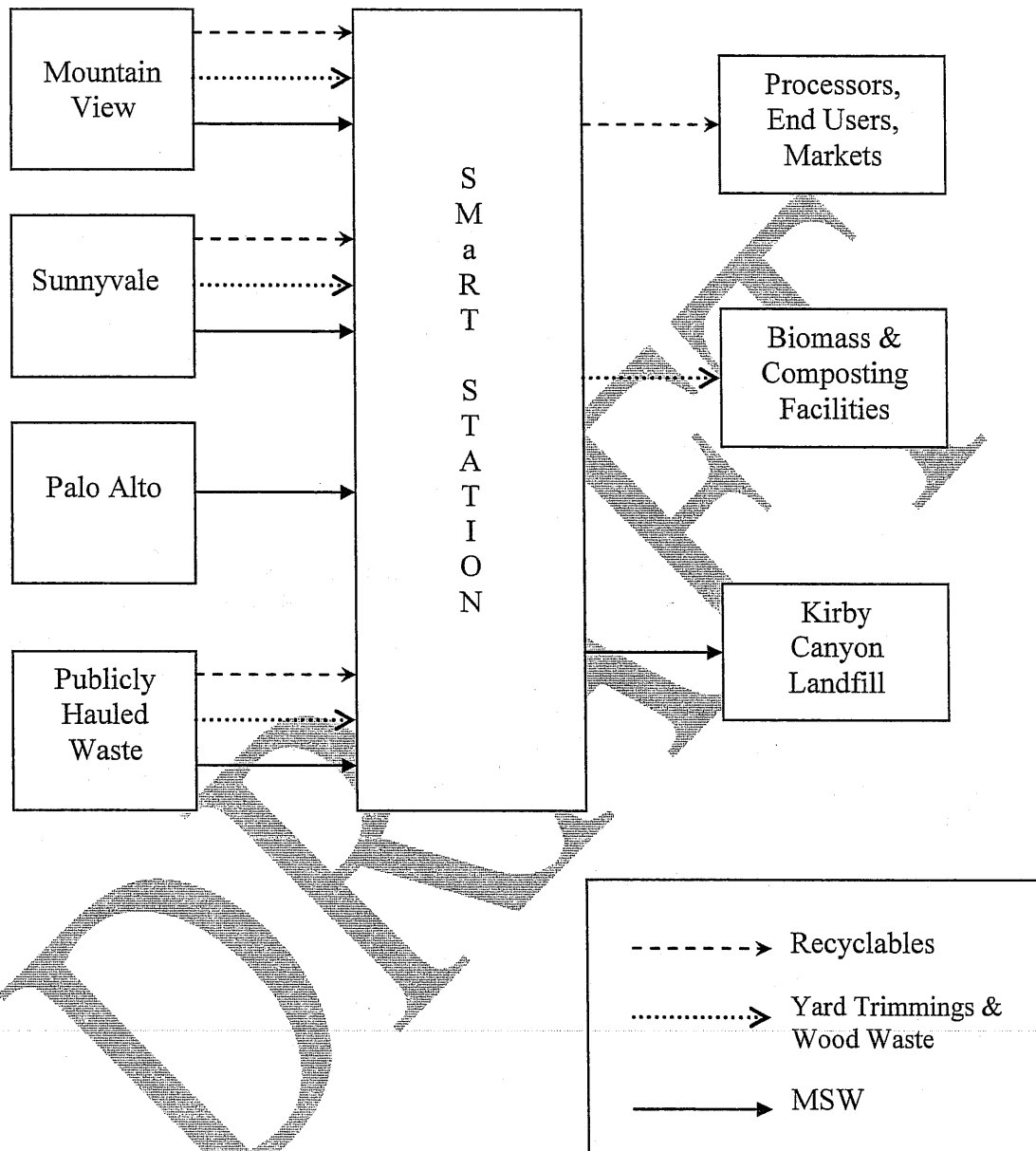
Commercial solid waste is collected using front loaders, compactors and debris boxes.

Yard Trimmings are collected using side loaders and front loaders.

Single-family recyclables are collected using side-loaders with 2 compartments. Materials are delivered to the SMaRT Station in the following components: (1) newspaper, (2) mixed rigid containers (aluminum, tin, glass and plastic containers #1 and #2), (3) cardboard (4) motor oil and oil filters, and (5) household batteries. Materials are unloaded from the rear of the vehicle.

Multi-family recyclables are collected by side-loaders with 2-compartments. Materials are delivered to the SMaRT Station in the following components: (1) newspaper, (2) mixed rigid containers, (3) motor oil and oil filters, and (4) household batteries. Materials are unloaded from the rear of the vehicle.

**Figure 4-1**  
**Material Flow Diagram for SMaRT Station**



*Mountain View:*

Residential solid waste is collected in side-loader and rear-loader trucks.

Commercial solid waste is collected using front loaders, compactors and debris boxes.

Yard Trimmings are collected using side loaders.

Single-family and multi-family recyclables are collected using rear-dump vehicles. Materials are delivered in the following components: (1) mixed paper, (2) mixed rigid containers, (3) cardboard, and (4) household batteries.

Mixed commercial recyclables are collected in front-loader vehicles, and are delivered to the SMaRT Station in a single stream of fiber and containers.

#### Palo Alto

Residential solid waste is collected using front loaders.

Commercial solid waste stream is collected using front loaders, compactors and debris boxes.

Single-family and commercial recyclables are collected using rear-dump vehicles. If Palo Alto chooses at a later date to use the SMaRT Station for processing its curbside recyclables, materials would be delivered to the SMaRT Station in a single stream of mixed recyclables (e.g. newspaper, mixed paper, and mixed containers).

Yard Trimmings are collected using front loaders.

#### **4.2.5 Source Separated Recyclable Materials Processing**

The selected Contractor will accept and process Source Separated Recyclable Materials from the cities of Sunnyvale and Mountain View's residential curbside, multi-family and commercial recycling programs and arrange for sale of the materials to acceptable recycling facilities, processors or end users as specified in Sections 3.05C and 3.16 of the Agreement. Source Separated Recyclable Materials currently collected include glass, tin and steel cans, aluminum cans, metal food trays, plastic bottles and containers, corrugated cardboard, mixed paper, newsprint, used motor oil and oil filters and household batteries. This material does not count towards the 17.5% minimum recycling guarantee.

The City of Palo Alto is not expected to bring its single stream curbside Source Separated Recyclable Materials to the SMaRT Station for processing at this time. If, however, this material, or additional commercial recyclables from any of the Participating Agencies are delivered to the SMaRT Station in the future, the selected Contractor will be required to process this material, as directed by the City. Palo Alto's contract with its current recyclables collector and processor has been extended and will expire July 1, 2009. Palo Alto currently generates approximately \_\_\_\_ tons per year of single stream Source Separated Recyclable Materials.

Should the City of Palo Alto direct its Source Separated Recyclable Materials to the SMaRT Station, the Contractor would be compensated in the same manner as for Source Separated Recyclable Materials from the other Participating Agencies: The Contractor will receive no tipping fee for accepting and processing the Source Separated Recyclable Materials. The Contractor will receive a share of the revenues from the sale of Source Separated Recyclable Materials (sliding scale based on MSW recovery rate achieved by Contractor.)

In addition, all Proposers are required to submit two Tipping Fees for Excess Tonnage: One that will be utilized in the event that Palo Alto's Source Separated Recyclable Materials are directed to the SMaRT Station, and another that will be utilized if Palo Alto's Source

Separated Recyclable Materials are not directed to the SMaRT Station. Because Palo Alto's Source Separated Recyclable Materials will generate additional revenue for the Contractor, the City anticipates that the Tipping Fee for Excess Tonnage will be lower if the Palo Alto Source Separated Recyclable Materials are directed to the SMaRT Station.

#### **4.2.6 Buyback/Drop-off Center**

The selected Contractor will operate a buyback/drop-off center that will accept the following materials:

- Newsprint
- Glass bottles, jars and other beverage containers
- Aluminum
- Metals
- Corrugated cardboard and Kraft paper
- High grade office paper
- Mixed paper
- Plastic containers 1--7
- Used motor oil\*
- Used automobile oil filters\*
- Anti-freeze\*
- Automotive batteries\*
- Household batteries\*
- Fluorescent light bulbs and tubes\*
- Household items containing mercury (e.g. thermometers and thermostats)\*
- Universal Waste Electronic Devices and Consumer Electronic Devices\*
- Any new California Redemption Value (CRV) containers designated by the State in the future
- Other materials as approved by the City

\* From residential generators only

City and contractor will discuss the feasibility of providing reuse services at the drop-off area.

The selected Contractor will also provide, in the vicinity of the buyback/drop-off center, a City approved bin for drop off of "sharps" (needles, lancets, etc.) by members of the general public (but not businesses) at no charge. The bin shall be designed with a chute, such that materials can be deposited, but cannot be removed from the chute. The selected Contractor

will be responsible for arranging for disposal of the “sharps” at an appropriate facility approved by the City, and will be reimbursed for the cost of proper disposal by the City.

Material accepted at the buyback/drop-off center does not count towards the 17.5% minimum recycling guarantee. Certain materials accepted at the drop-off area may be limited to residential generators as directed by the City, as noted above.

#### **4.2.7 Yard Trimmings and Wood Waste Processing**

The selected Contractor will be expected to process the wood and Yard Trimmings collected by the cities of Sunnyvale and Mountain View’s residential Yard Trimmings programs. This material does not count towards the 17.5% minimum recycling guarantee. The selected Contractor will also process wood and Yard Trimmings which are segregated from incoming loads of MSW through the use of the MSW processing lines. This material does count towards the 17.5% minimum recycling guarantee.

Source-separated wood and Yard Trimmings from the City of Palo Alto’s residential collection program are not expected to be processed at the SMaRT Station at this time. If, however, this material is delivered to the SMaRT Station in the future, the selected Contractor will be required to process this material, as directed by the City. The City of Palo Alto currently generates about 19,000 tons per year of source separated wood and Yard Trimmings. This material is processed at the City of Palo Alto’s composting facility which is scheduled to close in 2011.

The selected Contractor shall ensure that all source separated Yard Trimmings and wood delivered to the SMaRT Station, and all Yard Trimmings and wood segregated from incoming loads of MSW, are diverted from landfill disposal. Yard Trimmings and wood from the SMaRT Station may not be utilized as alternative daily cover or for any other “beneficial use” at a landfill. With prior written approval from the City of Sunnyvale, Yard Trimmings and wood waste from the SMaRT Station may be utilized as fuel at a traditional biomass facility in which clean, segregated, woody materials are used to generate electricity. Any composting facility utilized by the selected Contractor to process Yard Trimmings, wood, or other organic materials from the SMaRT Station must be approved of in advance, in writing, by the City of Sunnyvale. The City of Sunnyvale reserves the right to direct the selected Contractor to utilize a different composting facility given twelve months written notice.

The selected Contractor will bear the direct cost of diverting from landfill the Yard Trimmings, wood or other organics from the SMaRT Station. In the likely event that the selected Contractor must pay a third party to divert some or all of these organic materials, the cost of such payments will be treated as “negative recyclables revenue” and shall be shared with the Cities as set forth in Section 5.2.3 of this RFP.

#### **4.2.8 Food Waste and Organic MRF Fines Processing**

The current Contractor composts loads of fine organic materials recovered from MSW using screens (Organic MRF Fines.) These materials are composted at the Z-Best Compost Facility in Gilroy. Composting of Organic MRF fines is not required in the Agreement, but may be proposed as a means of obtaining or surpassing the Minimum Recycling Level.



In addition, the Member Agencies may wish to implement source separated food waste recycling programs during the term of the Agreement. One program under consideration is to allow residents to add food waste and soiled paper products to their Yard Trimmings containers. Loads of residential food waste co-collected with Yard Trimmings are estimated to contain less than 5% food waste by weight. Member Agencies may also elect to implement source separated food waste collection from restaurants, food processors, hotels, grocery stores, and other commercial food waste generators. Loads of commercial food waste are estimated to contain primarily food waste. All Proposers shall utilize Forms 15A and 15B to state how they intend to process and market Yard Trimmings, Residential Yard Trimmings Co-collected with Food Waste, Commercial Food Waste, and Organic MRF fines. Proposers shall also provide the associated costs of processing and marketing these materials, for purposes of estimating the effect of these activities on shared recyclables revenues and disposition costs.

#### **4.2.9 Transfer of Non-Recoverable Solid Waste**

The SMaRT Station is designed to load non-recoverable solid waste into Transfer Vehicles by using a compactor. A top loading conveyor has also been included in the event that the compactor is not working and solid waste must be manually loaded into open top Transfer Vehicles.

### **4.3 TRANSFER VEHICLE LOGISTICS**

#### **4.3.1 Transfer Trailers**

The SMaRT Station utilizes a compactor as the primary means of loading Transfer Vehicles. Therefore, the selected Contractor must purchase open-top walking-floor transfer trailers that are capable of being loaded from both the rear by the facility's compactor, and/or top loaded using the facility's top load conveyor system.

#### **4.3.2 Vehicle Weighing**

The selected Contractor will maintain and operate scales at the SMaRT Station as specified in Section 3.13 of the Agreement. All outbound loads must be weighed. All outbound MSW loads must be weighed both as they leave the SMaRT Station and as they enter the Kirby Canyon Landfill. The selected Contractor shall provide all hardware and software necessary to record all inbound and outbound loads at the SMaRT Station and to produce reports to the City in the required format. Examples of acceptable monthly Contractor reports are provided in Appendix K.

#### **4.3.3 Vehicle Parking, Fueling & Maintenance and Cleaning**

The SMaRT Station is not designed to allow for maintenance, fueling, and cleaning of Transfer Vehicles. The selected Contractor will be responsible for securing a location off-site to perform these functions. The selected Contractor may park empty Transfer Vehicles in the fenced and paved operations area of the SMaRT Station when not in use. However, maintenance, changing of fluids and cleaning of vehicles will not be permitted at this location.

as specified in Section 4.02 of the Agreement. All loaded/preloaded transfer trailers containing MSW must be parked on the tipping floor so that any liquid from the MSW that leaks from the vehicle remains on the tipping floor.

## **4.4 EQUIPMENT AND FACILITY OPERATION AND MAINTENANCE**

### **4.4.1 Equipment**

The City owns all stationary equipment at the SMaRT Station such as conveyors, balers and densifiers. It will be the selected Contractor's responsibility to properly clean, maintain and repair this equipment as described in Exhibit J of the Agreement. The selected Contractor will be required to purchase, own and maintain all rolling stock for the SMaRT Station. At a minimum, the selected Contractor must provide the equipment listed on Proposal Form 11 of this RFP which will become Exhibit H-2 of the Agreement. The selected Contractor must provide the Transfer Vehicles utilized to deliver MSW to the Kirby Canyon Landfill. The selected Contractor may utilize third-party trucking companies to transport outbound recyclable commodities such as Yard Trimmings, wood chips, paper, metal, plastic, glass, etc. The selected Contractor is also responsible for maintaining existing site security cameras, and installing additional cameras, as necessary, for purposes of assuring adequate site security.

### **4.4.2 Facility Operation and Maintenance**

The selected Contractor will be required to perform routine cleaning and preventive maintenance of all equipment, buildings, parking lots, and access roads per Exhibit J of the Agreement. The selected Contractor will also be required to operate the SMaRT Station in accordance with standards and procedures as specified in Exhibit J of the Agreement.

## **4.5 HAZARDOUS WASTE EXCLUSION**

The selected Contractor is responsible for inspecting and removing hazardous waste from incoming vehicle loads as provided in Section 3.08 of the Agreement and all applicable law. The selected Contractor is also responsible for proper management and disposal of any accumulated hazardous wastes that are inadvertently accepted at the facility or delivered to Kirby Canyon Landfill, in accordance with Section 3.08 of the Agreement. The selected Contractor will be required to implement a Hazardous Waste Exclusion Program (HWEP) as described in Section 3.08 of the Agreement.

Note that hazardous waste produced by the selected Contractor (e.g., oil and anti-freeze from rolling stock, grease, rags used in cleaning equipment, etc.) is the responsibility of the selected Contractor. No compensation will be provided to the selected Contractor for the proper management of any such waste that is generated.

#### **4.6 MITIGATION MEASURES**

The selected Contractor will be required to implement the applicable mitigation measures for blowing debris, vector control, odor, dust and noise, and fire control, as specified in the FEIR and Exhibits F and J of the Agreement.

#### **4.7 COLLECTION OF FEES**

The selected Contractor will be responsible for collection, accurate record keeping and reporting and delivery to the City, of all fees paid to the SMaRT Station, in accordance with Section 3.14 of the Agreement.

#### **4.8 SALE OR TRANSFER OF SOURCE SEPARATED RECYCLABLE MATERIALS**

The selected Contractor will be responsible for storing, marketing, and shipping all materials recovered from MSW or source-separated materials received at the SMaRT Station. The City reserves the right to terminate the selected Contractor's usage of any material recipient (i.e. recycler, recycling facility, material broker, or end user) purchasing or receiving any materials from the SMaRT Station in the event that the material recipient is disposing or otherwise improperly processing the materials. The selected Contractor must ship all materials for sale within 90 days of diversion unless City provides a written exemption for that material. Source Separated Recyclable Materials shall not be landfilled under any circumstances unless so directed by the City. Refer to Section 3.16 and Section 4.01 of the Agreement for specific details on terms for marketing of recovered material.

#### **4.9 OPERATION PERFORMANCE GUARANTEES**

The selected Contractor will be required to achieve the minimum recycling level of 17.5% calculated as described in Exhibit S of the Agreement.

#### **4.10 PERFORMANCE BOND**

As security for performance under the terms of the Agreement, the selected Contractor will be required to furnish a performance bond in the amount of two million dollars (\$2,000,000). Refer to Section 7.03 of the Agreement for specific provisions on the performance bond.

#### **4.11 ENVIRONMENTAL PROCUREMENT POLICY**

The City of Sunnyvale has established an Environmental Procurement Policy to, among other things; promote the use of environmentally preferable products. The selected Contractor will be required to adhere to the City's Environmental Procurement Policy as specified in Section 10.23 of the Agreement.

#### **4.12 CLEAN AIR FUELS AND RECYCLED MOTOR OIL**

Clean air fuels are those fuels which minimize harmful air emissions from equipment. Examples of clean air fuels include, but are not limited to, electricity, propane, liquid natural gas (LNG) compressed natural gas (CNG) and biodiesel. The selected Contractor will be required to utilize clean air fuels in its forklifts, pick-up trucks, and all other rolling stock provided by the Contractor, excluding loaders and Transfer Vehicles. Proposal Forms 11, 12, and 13 must assume Transfer Vehicles and loaders powered by standard diesel fuel, with all other rolling-stock powered by a clean air fuel. Proposal Form 20 must specify the type of clean air fuel to be used in all rolling stock excluding loaders and Transfer Vehicles.

In addition, each Proposer shall utilize Proposal Form 20 to submit an alternative cost proposal for fueling loaders and Transfer Vehicles utilizing a clean air fuel of the Proposer's choosing. On Proposal Form 20, Proposer shall state the difference, if any, that utilizing the proposed clean air fuel would cause in its proposed annual compensation and the per ton compensation for additional tons should the City choose to select this alternative. A Proposer may, at its own option, elect to propose two or more different types of clean air fuels for loaders and Transfer Vehicles, itemizing the corresponding impact on proposed compensation for each.

The selected Contractor will also be required to utilize recycled motor oil in all rolling stock. Upon request, the City will provide Proposers with information on how to obtain recycled motor oil.

## **SECTION 5. BUSINESS AND FINANCIAL ARRANGEMENTS**

### **5.1 TERM OF AGREEMENT**

The Agreement described in this RFP contemplates the selected Contractor operating the SMaRT Station for seven years. At the City's option the term of the Agreement may be extended for one or more periods of three months, up to a maximum of one year as described in Section 2.03 of the Agreement.

### **5.2 PAYMENT ARRANGEMENTS**

Figure 5-1 presents a diagram of the cash flow associated with SMaRT Station operations.

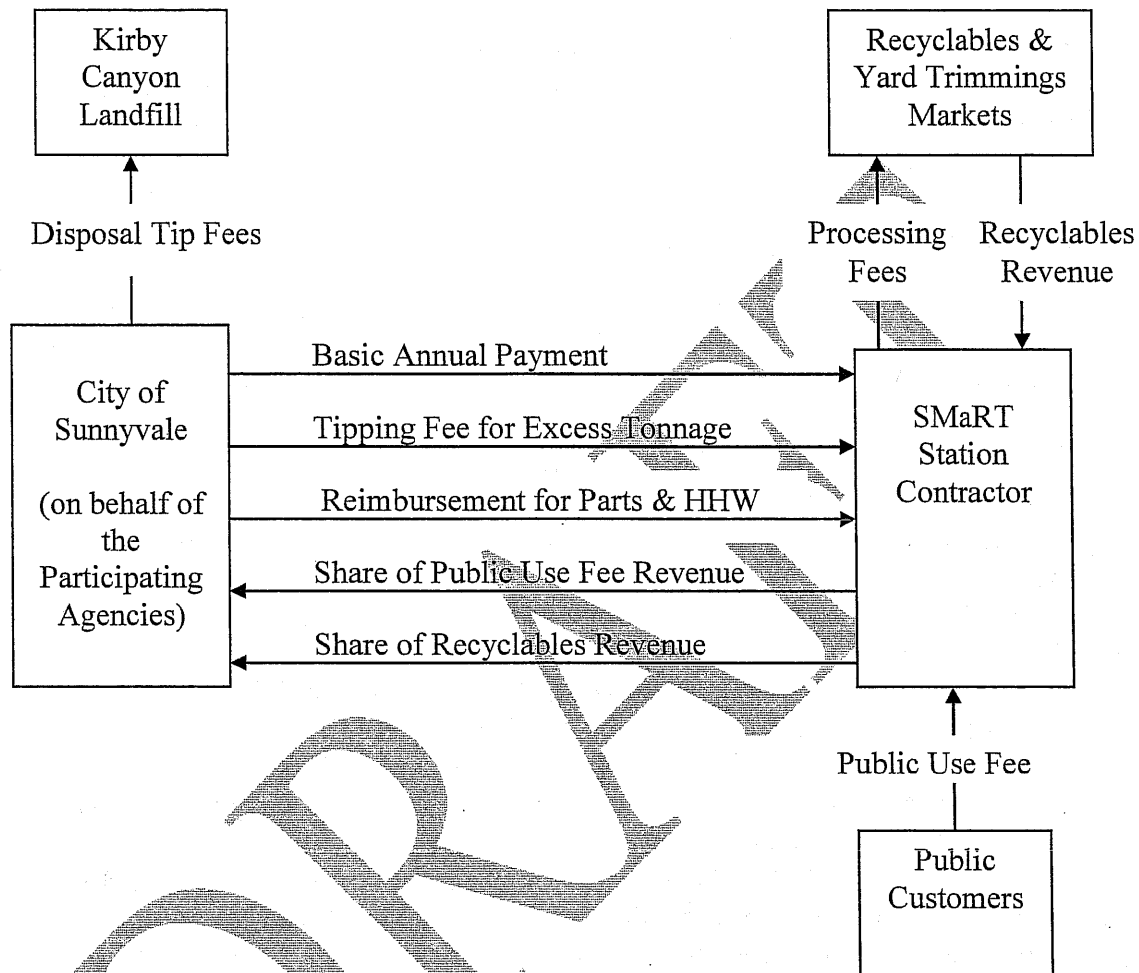
#### **5.2.1 City's Payments**

The City's sole payment obligations for all services to be provided under the terms of the RFP and the Agreement shall be limited to the following:

- Payment to the Contractor of a fixed Basic Annual Payment and adjustments thereto, as described in Article 5 of the Agreement. This payment shall be disbursed in 12 equal monthly payments per year. Monthly payments shall be made in arrears.
- Reimbursement to the Contractor on a per ton basis (Tipping Fee for Excess Tonnage) if the combined tonnage of inbound franchised MSW and Yard Trimmings exceeds 280,000 tons per year. Proposers shall quote a Tipping Fee for Excess Tonnage using Form 13.
- Reimbursement to the Contractor for spare parts for stationary equipment listed in Exhibit H-1 of the Agreement.
- Reimbursement to the Contractor for disposal costs for hazardous waste and sharps identified by the selected Contractor through the Hazardous Waste Exclusion Program per Section 5.02D of the Agreement and sharps collected from the public at the drop-off area. This does not include hazardous waste generated by the selected Contractor and CFCs, compressor oils and mercury containing switches removed from appliances delivered to the SMaRT Station which are to be handled at the selected Contractor's expense.

In addition, please note that the City is solely responsible for compensating the Kirby Canyon Landfill for disposal of all MSW delivered by the Contractor from the SMaRT Station to the Kirby Canyon Landfill. The Kirby Canyon Landfill bills the City directly for disposal. The Contractor is not involved in the disposal payment.

**Figure 5-1  
Cash Flow Diagram for SMaRT Station**



## **5.2.2 Payment to the Selected Contractor**

### 5.2.2.1 Basic Annual Payment

City shall pay the Contractor a Basic Annual Payment and adjustments thereto, as described in Article 5 of the Agreement. This payment shall be disbursed in 12 equal monthly payments per year. Monthly payments shall be made in arrears. This payment is compensation to the Contractor for accepting, processing, and transferring up to 280,000 tons per year of franchised MSW and Yard Trimmings from the Participating Agencies.

#### 5.2.2.2 Tipping Fee for Excess Tonnage

Should the combined tonnage of franchised MSW and Yard Trimmings accepted at the SMaRT Station exceed 280,000 in any given fiscal year, the selected Contractor will be compensated for the additional tons at the Tipping Fee set forth in Article 5 of the Agreement.

#### 5.2.2.3 Gate Fee

The City establishes Public Use Fees for Publicly Hauled (non-franchised) Wastes. The Public Use Fees vary by material type and are all greater than \$5.50 per cubic yard. The Gate Fee for all material types shall be \$5.50 per cubic yard multiplied by the number of cubic yards delivered. The selected Contractor will collect Public Use Fee revenue from public customers, retain \$5.50 per cubic yard, and remit the remainder of the Public Use Fee Revenue to the City.

#### 5.2.2.4 Liquidated Damages

The City of Sunnyvale may deduct from selected Basic Annual Payment liquidated damages as set forth in the provisions of Section 9.06 of the Agreement.

#### 5.2.2.5 Inflation Adjustment

The Basic Annual Payment, Tipping Fee for Excess Tonnage and Contractor's Share of Public Use Fee per cubic yard will be adjusted for inflation each fiscal year per Section 5.03 of the Agreement.

### **5.2.3 Revenues from Sale of Source Separated Recyclable Materials**

The selected Contractor collects all gross revenues from processors and end-users from the sale of Source Separated Recyclable Materials and remits to the City of Sunnyvale a portion of the gross recycling revenue. The percentage of the gross revenues that the Contractor remits to the City shall be as specified in Exhibit O-13 of the Agreement, and includes revenues derived from:

- Materials recovered by the selected Contractor from MSW;
- Source-separated Source Separated Recyclable Materials delivered by the Participating Agencies' franchised haulers;
- Source-separated wood and Yard Trimmings delivered by the Participating Agencies' franchised haulers; and
- Source Separated Recyclable Materials delivered to the buyback/drop-off center.

The selected Contractor shall pay to the City, on a monthly basis, the City's share of all revenues received during the preceding month. In the event that the selected Contractor incurs a disposition cost to market Source Separated Recyclable Materials recovered at the SMaRT Station for recycling, whereby the selected Contractor must pay the material broker or end user a fee for disposition of a materials shipment, the selected Contractor will pay a percentage of the total disposition cost equal to that specified in Exhibit O-13 for the "Contractor's Revenue Share." The City will pay a percentage equal to the "City's Revenue Share." For example, if one month the selected Contractor received \$100,000 in revenue from

the sale of paper, metal, and plastic, and paid \$25,000 to a composting facility to recycle Yard Trimmings, the total Source Separated Recyclable Materials revenue for that month would be \$75,000. This revenue will be shared between the Contractor and the City based upon the formula specified in Exhibit O-13 of the Agreement. The handling of material disposition costs when no markets exist is specified in Section 3.16.C.5 of the Agreement.

When calculating recyclables revenue, Contractor shall use revenues accrued at the time of the invoice. Uncollectible receivables are the Contractor's responsibility. The Contractor shall have 120 days after submitting its monthly compensation invoice to the City to make any adjustments to the reported recyclables revenue.

#### **5.2.4 Invoicing and Reporting Requirements**

The selected Contractor will be required to provide monthly reporting of all MSW and Source Separated Recyclable Materials received at, and transferred from, the facility in a format acceptable to the City. Beginning in February 2008, and on a monthly basis thereafter, the selected Contractor will be responsible for preparing and submitting, in a form prescribed by the City per Section 5.07 of the Agreement, an invoice indicating the amount due and payable by the City for services rendered in the prior month. The City shall pay the amount due the selected Contractor, when submitted on a proper invoice, less liquidated damages, if any, in accordance with payment procedures described in Article 5 of the Agreement. In the event of a dispute over an invoiced amount, the procedures described in Article 5 of the Agreement will be followed.

### **5.3 DEFAULTS AND REMEDIES**

Article 9 of the Agreement identifies the specific Event(s) of Default, as well as the remedies available to the non-defaulting party should any such Event of Default occur.

### **5.4 INSURANCE REQUIREMENTS**

The selected Contractor will be required to maintain insurance in effect during the term of the Agreement in accordance with the terms set forth in Section 7.02 of the Agreement.



## **SECTION 6. PROPOSAL REQUIREMENTS AND EVALUATION**

This section provides information on the following issues:

- Organization of information to be included in the proposal package
- Proposer qualifications
- Proposal evaluation criteria

### **6.1 PROPOSAL PACKAGE CONTENT AND ORGANIZATION**

Proposers must provide adequate description and documentation supporting:

- Corporate and Project Team Qualifications,
- Financial Qualifications, and
- Plans for Operation of the SMaRT Station and Marketing of Recovered Materials.

A brief description of the minimum information to be included in the proposal package is presented below. Note that each description corresponds to the Proposal Forms provided in Appendix B. The proposal package must include all the completed Proposal Forms and associated supporting documentation. The Statement of Interest and Acceptance of Communication Guidelines (Proposal Form 1,) the Proposal Transmittal Letter (Proposal Form 2,) and the Proposal Security Bond (Proposal Form 9) must be notarized.

Proposers must complete and submit the following Proposal Forms which are included in Appendix B.

1. 1A Statement of Interest and Acceptance of Communication Guidelines  
1B Communication Guidelines
2. Proposal Transmittal Letter
3. General Proposer Information, Background, Experience and References
4. Detailed Project Experience
  - 4A MSW Processing Operations
  - 4B Source Separated Recyclable Materials Processing Operations
  - 4C Yard Trimmings and Wood Waste Processing and Marketing
  - 4D Materials Marketing
  - 4E Long-Haul Transport
5. Structure of Project Team
6. Resumes
7. Financial Statements
8. List of Personnel and Subcontractors
9. Proposal Security Bond
10. Description of Health and Safety Program/Hazardous Materials Procedures
11. List of Equipment (Rolling Stock) to be Furnished by Proposer
12. Annual Operating Cost
  - 12A SMaRT Station Existing MSW Processing Equipment
  - 12B SMaRT Station New MSW Processing Equipment

13. Basic Annual Payment and Tipping Fee for Excess Tonnage
14. Materials Recovery and Marketing Plan
15. 15A Organics Marketing Plan
- 15B Organics Processing Costs
16. Anti-Collusion Affidavit
17. Pending Litigation
18. Exceptions to Proposed Agreement
19. Identification of Surety
20. Clean Air Fuels Plan
21. Maintenance Plan

## **6.2 PROPOSER QUALIFICATIONS**

In order to qualify as a Proposer, the minimum technical experience and financial qualifications described below must be met.

### **6.2.1 Technical Experience**

Proposers shall use Proposal Forms 3 and 4 to demonstrate their technical experience. Proposers must have been in existence for no fewer than three (3) years and possess no fewer than two (2) years of actual operating experience in solid waste processing, materials recovery and recycling, and solid waste transfer. Proposers may not be in default on any contract obligations during this period. In the case of joint venture or partnership proposals, at least one member of the team must meet the experience requirement and no members can be in default.

### **6.2.2 Financial Qualifications and Bond Requirements**

Proposers must describe the financial condition and strength of the company and/or joint venture. The description will include audited financial statements covering the last three years (Proposal Form 7).

Proposers must comply with the bonding requirements of the RFP as follows:

- Furnish, as proposal security, a proposal bond issued by a licensed surety, in the amount of \$100,000 (Proposal Form 9).
- Provide the name of a surety company admitted in California that is prepared to furnish a performance bond consistent with the requirements of Section 7.03 of the Agreement (Proposal Form 19).

### **6.2.3 Corporate and Project Team Experience and Qualifications**

#### Corporate Qualifications

Proposers must provide as evidence of prior experience:

- References who can verify that the Proposer has successfully operated projects involving the handling, transfer, and recovery of MSW (Proposal Form 3).
- References who can verify that the Proposer has material recovery, marketing and long haul transfer experience (Proposal Form 3).

### Project Team Experience

Proposers must provide as evidence of project team experience:

- An organization chart for operating the SMaRT Station, detailing the responsibilities of key team members and personnel (Proposal Form 5).
- A list of all principals and owners of the project team, their subcontractors, and all the parties' relationship to the project, including a complete resume of the facility manager and other key members of the operation management team (Proposal Forms 6 and 8).
- A list of other projects involving material recovery, MSW processing, and transfer station operations with which the project team has had experience, indicating facility capacity, technology, operating methods, ownership, and cost information for each listed project, as well as the degree of involvement of the key project participants. References from jurisdictions served by the projects must also be included (Proposal Forms 3 and 4).

### **6.2.4 Other Required Submittals**

Proposers must also submit the following:

- An affidavit of non-collusion (Proposal Form 16),
- A statement listing any pending litigation (Proposal Form 17).
- Additionally, if the Proposer wants to take any exceptions to the proposed Agreement they must be clearly explained in Proposal Form 18.

### **6.2.5 Specifications for Operation of SMaRT Station**

Proposers are required to submit sufficient documentation that describes and illustrates in detail:

- The operating plan (including procedures for operation of both the existing and new MSW processing equipment;)
- The marketing plan; and
- The basis for the proposed Basic Annual Payment and Tipping Fee for Excess Tonnage.

Certain documentation is to be prepared for direct inclusion as Exhibits to the Agreement. References are made below to the specific Proposal Forms and Exhibits.

**Operating Plan** - The Facility must be operated in such a manner as to achieve the Minimum Recycling Level of 17.5%. Proposers must identify the equipment (loaders, transfer vehicles, fork lifts, etc.) to be used in handling and transferring all MSW and Source Separated Recyclable Materials (Proposal Form 11). Proposers must identify the facility health and safety procedures (Proposal Form 10). Proposers must describe in detail the methods for receipt, handling, loading and unloading, processing and final disposition procedures for all MSW and Source Separated Recyclable Materials received at the SMaRT Station (Proposal Form 14), in accordance with the design of the SMaRT Station as represented in Figures A-3, A-4, A-5, A-6, and A-9 (see Appendix A for these Figures). The description provided by the Proposer on Proposal Form 14 will be included as Exhibit B-1 of the Agreement and must specify at a minimum:

- Material receipt, handling, and transfer procedures
- Procedures for recovering Source Separated Recyclable Materials from MSW
- Waste hauling plan to transport MSW to Kirby Canyon Landfill
- On-site traffic management
- Recyclable material management, sales, and storage

The Operating Plan shall include procedures for operating the existing MSW processing equipment as well as the new MSW processing equipment being considered by the City.

**Marketing Plan** - Proposers must provide a description of the marketing plan for Source Separated Recyclable Materials including specific personnel requirements, time dedicated to marketing efforts, knowledge of local markets, estimated per ton revenue received for each commodity, etc. (Proposal Form 14). The Organics Marketing Plan (Proposal Form 15) must specifically address markets for Yard Trimmings, wood, and other organics materials targeted for diversion. Proposers must identify the organics composting/processing site(s) to be utilized, the end products that that site(s) will produce, and the tip fees, if any, that the site(s) will charge the Proposer. The description provided by the Proposer on Proposal Form 15 will be included as Exhibit B-3 of the Agreement

**Operating Costs** - Proposers must provide operating cost justification (Proposal Form 12) demonstrating how these costs are incorporated into the Basic Annual Payment and the Tipping Fee for Excess Tonnage (Proposal Form 13).

**Clean Air Fuels Plan** – Proposers must utilize Proposal Form 20 to: (1) Explain how they will meet the requirement that all rolling stock provided by the Contractor (excluding loaders and Transfer Vehicles) will be powered by clean air fuels; and (2) Propose one or more clean air fuel alternatives for powering loaders and Transfer Vehicles, and itemize the cost implications of these alternatives.

**Maintenance Plan** – Proposers must utilize Proposal Form 21 to describe their maintenance plan for the facility, equipment and rolling stock. This plan shall include a description of types of repairs and maintenance to be performed on-site and off-site, plans for preventive maintenance and unscheduled repairs, and numbers and types of maintenance personnel.

### **6.3 PROPOSAL EVALUATION CRITERIA**

A proposal evaluation team including, but not limited to, members of the City's staff and consultants will evaluate all proposals. Proposals will be rated using the five criteria listed below.

- Experience and qualifications of the Proposer to operate a materials recovery and transfer facility of this size
- Thoroughness, comprehensibility, and adequacy of facility operating, maintenance and marketing plans, and overall proposal approach
- Proposed Basic Annual Payment for existing tonnage levels
- Proposed Tipping Fee for Excess Tonnage ; and
- The number, nature, and materiality of exceptions taken to the Agreement

A Proposer's relevant experience will be evaluated in five separate categories:

- MSW Processing
- Source Separated Recyclable Materials Processing
- Yard Trimmings and Wood Waste Processing and Marketing
- Materials Marketing
- Long-Haul Transfer

Relevant experience will be evaluated in terms of: (a) how the tonnage handled compares to the tonnage to be handled at the SMaRT Station, and (b) the quality of the operation. In order to assess the quality of these operations, City staff will be performing site visits of the facilities listed by Proposers as examples of relevant experience.

The City reserves the right to alter these evaluation criteria.

